GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department – Representation of M/s Electrosteel Castings Limited (formerly M/s. Srikalahasti Pipes Ltd.) for providing additional tailor-made incentives for expansion of existing manufacturing plant for Ductile Iron (DI) Pipes at Rachagunneri Village, Srikalahasti Mandal, Tirupati District – Orders - Issued.

INDUSTRIES AND COMMERCE (P&I) DEPARTMENT

G.O.Ms.No. 111 **Dt: 09.11.2023**
Read the following:

1. G.O.Ms. No.12, Ind & Comm. (P&I) Department, Dt:18.02.2023.
2. From General Manager, Finance, Electro Steel Castings Limited Letter dt:07.07.2023 & dt:02.08.2023.
3. From COI e file No. INC02/21045/26/2018-I&I-DOI (Computer No.553291).
4. Minutes of the State Investment Promotion Committee meeting held on 20.10.2023.
5. Minutes of the State Investment Promotion Board meeting held on 30.10.2023.

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ORDER:

In the reference 1st read above, orders were issued extending the following incentives to M/s Electrosteel Castings Limited:

1. Power cost reimbursement @ Rs. 1/- per unit for "DI pipes manufacturing" facility for a period of 5 years from Date of Commencement of Commercial Production.

2. 100% Net SGST accrued to the state for a period of 5 years, or up to realization of 100% fixed capital investment, whichever is earlier.

2. In the reference 2nd read above, the General Manager, Finance, Electro Steel Castings Limited has informed that, their sales in the state of AP very low which would result into lower payment of SGST to the Government of AP. In the year 2022-23, as against total sale of Rs.3226 Crs, sale in the State of AP was only Rs.242 Crs which comes to 7.5% of the total sales only. The net SGST on the expanded portion of sales comes to Rs. 4.00 Crs per annum and along with expansion of their plant capacity, they are expanding their captive power generation capacity also which would meet their additional power requirement of the expanded capacity. The power subsidy of Rs. 1.00 per unit sanctioned to them available on additional power requirement to be met by AP DISCOMS. Since their additional power requirement would be met by their captive generation and not eligible to get any subsidy on this account and therefore requested certain Fiscal and Non Fiscal incentives.

(p.t.o)

3. In the reference 3rd read above, the COI has submitted the report and previous requests of the company and recommendations of the SIPC and SIPB on the proposal.

4. Accordingly, the proposal was placed before the State Investment Promotion Board (SIPB) meeting held on 30.10.2023 with the recommendations of State Investment Promotion Committee (SIPC) in its meeting held on 20.10.2023.

5. Government after careful examination of the decisions of the State Investment Promotion Board, hereby extends the following incentives to M/s Electrosteel Castings Limited, for expansion of existing manufacturing plant for Ductile Iron (DI) Pipes at Rachagunneri Village, Srikalahasti Mandal, Tirupati District:

1. Project proponent may approach APIIC for the allotment of 5 MLD of water from Telugu Ganga project from APIIC's allocation and APIIC to examine the possibility of allotment of water from Telugu Ganga Project as per the prevailing rates.

2. Widening / Strengthening of existing approach road from National Highway to the project site through Panchayat Raj Department from their budget.

6. The incentives shall be made applicable subject to the company adhering to the definitive timelines for implementation of the project and investment & employment commitment from the company as per the DPR submitted and as per the rules in vogue.

7. The provision of Water, Power source (Electricity) and approach road, up to door-step of the Industrial Units investing in the States should be addressed properly by the departments concerned.

8. The Commissioner of Industries, A.P., Mangalagiri and VC&MD, APIIC shall take necessary action accordingly and intimate the status of the progress of the work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Industries, A.P., Mangalagiri.
The Vice Chairman & Managing Director, APIIC Ltd., Mangalagiri.
M/s Electrosteel Castings Limited., Rachagunneri Village, Srikalahasti Mandal, Tirupati District.
The PR&RD Department,
The MA&UD Department.
The HM& F.W. Department.

The Energy Department
The Revenue (CT) Department.
The Collector & District Magistrate, Tirupati District.
The District Industries Officer, District Industries Centre, Tirupati District.
Copy to:
The Finance (FMU-I&I, Energy and I&C) Department.
The Revenue (Registration) Department
The Law (H) Department
The Accountant General, Andhra Pradesh.
The Commissioner of Commercial Taxes.
The P.S. to Spl. Chief Secretary to Chief Minister.
The P.S. to Chief Secretary.
The P.S. to Hon'ble Minister (III &Comm&IT).
The P.S. to Secretary to Government & CIP, Industries& Commerce Department.
The G.A. (Cabinet) Department w.r.t. to their U.O.No.344/2023, Dt:06.11.2023.
SC/SF.

//Forwarded :: by order//

S Swarnalatha
SECTION OFFICER